



Iowa Withholding Formula For Wages Paid Beginning January 1, 2024

NEW for 2024: The Iowa withholding formula and the IA W-4 have been revised for tax year 2024 to accommodate certain changes enacted by the Iowa legislature in 2023 under Senate File 565.

Because of changes reflected on the 2024 IA W-4 form, employees should be encouraged to file an updated Iowa W-4 using the 2024 IA W-4 form. **For employees who do not file an updated W-4 using the 2024 IA W-4 form, employers should use \$40 as the total allowance amount and \$0 as the additional withholding amount when calculating these employees' Iowa withholding amounts.**

To determine how much to withhold for Iowa individual income tax for wages paid beginning January 1, 2024, use the four-step formula provided below. Alternatively, the withholding tables provided at tax.iowa.gov/withholding-tax-information can be used.

Step 1: $T1 = G - S$

(G: Gross taxable wages for the pay period; S: Standard deduction for the pay period)

Determine the gross taxable wages for the pay period and subtract the appropriate standard deduction amount shown below. Certain payments made by the employer into employee retirement plans or for employee health insurance are not considered taxable wages and are not included in the calculations of withholding tax.

For employees who do not file an updated W-4 using the 2024 IA W-4 form: use the standard deduction amounts for total allowances less than \$80.00 for the applicable pay period.

Standard Deduction Amounts by Pay Period (Denoted as S):

Payroll Period	Total Withholding Allowances Claimed on IA W-4 Line 6:	
	less than \$80.00	\$80.00 or more
Daily	\$56.15	\$112.31
Weekly	\$280.77	\$561.54
Biweekly	\$561.54	\$1,123.08
Semimonthly	\$608.33	\$1,216.67
Monthly	\$1,216.67	\$2,433.33
Annually	\$14,600.00	\$29,200.00

Step 2: $T2 = T1 \times R$

(R: Withholding tax rates)

Multiply T1 by the appropriate tax rate (R) shown in Chart 1 "Withholding Tax Rates and Brackets by Pay Period for Tax Year 2024" on next page.

Chart 1 for Step 2. Withholding Tax Rates and Brackets by Pay Period for Tax Year 2024

Daily Pay Period					Semimonthly Pay Period				
If T1 Amount Is:		The T2 Amount Is:			If T1 Amount Is:		The T2 Amount Is:		
Over	But Not Over		Rate	of Excess Over	Over	But Not Over		Rate	of Excess Over
\$0.00	\$18.83	\$0.00 plus	4.40%	\$0.00	\$0.00	\$204.00	\$0.00 plus	4.40%	\$0.00
\$18.83	\$94.15	\$0.83 plus	4.82%	\$18.83	\$204.00	\$1,020.00	\$8.98 plus	4.82%	\$204.00
\$94.15	or over	\$4.46 plus	5.70%	\$94.15	\$1,020.00	or over	\$48.31 plus	5.70%	\$1,020.00
Weekly Pay Period					Monthly Pay Period				
If T1 Amount Is:		The T2 Amount Is:			If T1 Amount Is:		The T2 Amount Is:		
Over	But Not Over		Rate	of Excess Over	Over	But Not Over		Rate	of Excess Over
\$0.00	\$94.15	\$0.00 plus	4.40%	\$0.00	\$0.00	\$408.00	\$0.00 plus	4.40%	\$0.00
\$94.15	\$470.77	\$4.14 plus	4.82%	\$94.15	\$408.00	\$2,040.00	\$17.95 plus	4.82%	\$408.00
\$470.77	or over	\$22.29 plus	5.70%	\$470.77	\$2,040.00	or over	\$96.61 plus	5.70%	\$2,040.00
Biweekly Pay Period					Annual Pay Period				
If T1 Amount Is:		The T2 Amount Is:			If T1 Amount Is:		The T2 Amount Is:		
Over	But Not Over		Rate	of Excess Over	Over	But Not Over		Rate	of Excess Over
\$0.00	\$188.31	\$0.00 plus	4.40%	\$0.00	\$0.00	\$4,896.00	\$0.00 plus	4.40%	\$0.00
\$188.31	\$941.54	\$8.29 plus	4.82%	\$188.31	\$4,896.00	\$24,480.00	\$215.42 plus	4.82%	\$4,896.00
\$941.54	or over	\$44.60 plus	5.70%	\$941.54	\$24,480.00	or over	\$1,159.37 plus	5.70%	\$24,480.00

Step 3: $T3 = T2 - (W / P)$

(W: Total allowance amount on the IA W-4; P: Number of pay periods per year)

Divide the total allowance amount reported on the employee’s IA W-4 (W) by the number of pay periods per year (P). Subtract this amount from T2. The number of pay periods per year are provided below.

Number of Pay Periods Per Year (Denoted as P)

Payroll Period	Number of Pay Periods Per Year	Payroll Period	Number of Pay Periods Per Year
Daily	260	Semimonthly	24
Weekly	52	Monthly	12
Biweekly	26	Annually	1

For employees who do not file an updated W-4 using the 2024 IA W-4 form, use \$40 as the total allowance amount.

Step 4: $T4 = T3 + A$

(A: Additional withholding requested per pay period on the IA W-4)

Add the additional amount of withholding requested for each pay period on the employee’s IA W-4 to T3 to get Iowa withholding for the pay period. *For employees who do not file an updated W-4 using the 2024 IA W-4 form, use \$0 as additional withholding amount.*

Pay period not provided: If your employee has a pay frequency other than those provided, multiply wages for each pay period by the number of pay periods in a calendar year to get annual wages. Calculate withholding using the annual pay period tax rates and brackets. Then divide T4 by the number of pay periods in the year to get withholding for each pay period.

For example, for a quarterly pay period, use annual payroll formulas to get T4 and then divide by 4 to get Iowa withholding on each paycheck. For a semiannual pay period, use annual payroll formulas to get T4 and then divide by 2 to get Iowa withholding on each paycheck.

Examples:

Four examples are provided below for using the formula to come up with Iowa withholding amounts for 2024.

**Example 1: Biweekly wages of \$2,100.00
(Total withholding allowances \$120 claimed, no additional amount requested)**

T1 = G - S	T1 =	\$2,100.00	-	\$1,123.08	=	\$976.92
		<u>Over</u>	<u>But Not Over</u>		<u>Rate</u>	<u>of Excess Over</u>
T2 = T1 x R	T2:	\$0.00	\$188.31	\$0.00 plus	4.40% x	\$0.00
		\$188.31	\$941.54	\$8.29 plus	4.82% x	\$188.31
		\$941.54	or over	\$44.60 plus	5.70% x	\$941.54
	T2 =			\$44.60 + 5.70% x (\$976.92 - \$941.54) =		\$46.62
T3 = T2 - W / P	T3 =	\$46.62	-	\$120.00 / 26 =		\$42.00
T4 = T3 + A	T4 =	\$42.00	+	\$0.00	=	\$42.00
					Iowa tax to be withheld =	\$42.00

**Example 2: Monthly Wages of \$4,200.00
(Total withholding allowance \$160 claimed, no additional amount requested)**

T1 = G - S	T1 =	\$4,200.00	-	\$2,433.33	=	\$1,766.67
		<u>Over</u>	<u>But Not Over</u>		<u>Rate</u>	<u>of Excess Over</u>
T2 = T1 x R	T2:	\$0.00	\$408.00	\$0.00 plus	4.40% x	\$0.00
		\$408.00	\$2,040.00	\$17.95 plus	4.82% x	\$408.00
		\$2,040.00	or over	\$96.61 plus	5.70% x	\$2,040.00
	T2 =			\$17.95 + 4.82% x (\$1,766.67 - \$408.00) =		\$83.44
T3 = T2 - W / P	T3 =	\$83.44	-	\$160.00 / 12 =		\$70.10
T4 = T3 + A	T4 =	\$70.10	+	\$0.00	=	\$70.10
					Iowa tax to be withheld =	\$70.10

Example 3: Biweekly wages of \$2,100.00, and employee did not file a 2024 IA W-4 form (Use \$40 as total allowance amount and \$0 as additional withholding amount)

T1 = G - S	T1 =	\$2,100.00	-	\$561.54	=	\$1,538.46
		<u>Over</u>	<u>But Not Over</u>		<u>Rate</u>	<u>of Excess Over</u>
T2 = T1 x R	T2:	\$0.00	\$188.31	\$0.00 plus	4.40% x	\$0.00
		\$188.31	\$941.54	\$8.29 plus	4.82% x	\$188.31
		\$941.54	or over	\$44.60 plus	5.70% x	\$941.54
	T2 =	\$44.60 + 5.70% x (\$1,538.46 - \$941.54) =				\$78.62
T3 = T2 - W / P	T3 =	\$78.62	-	\$40.00	/ 26 =	\$77.09
T4 = T3 + A	T4 =	\$77.09	+	\$0.00	=	\$77.09
		Iowa tax to be withheld =				\$77.09

Example 4: Monthly Wages of \$4,200.00, and employee did not file a 2024 IA W-4 form (Use \$40 as total allowance amount and \$0 as additional withholding amount)

T1 = G - S	T1 =	\$4,200.00	-	\$1,216.67	=	\$2,983.33
		<u>Over</u>	<u>But Not Over</u>		<u>Rate</u>	<u>of Excess Over</u>
T2 = T1 x R	T2:	\$0.00	\$408.00	\$0.00 plus	4.40% x	\$0.00
		\$408.00	\$2,040.00	\$17.95 plus	4.82% x	\$408.00
		\$2,040.00	or over	\$96.61 plus	5.70% x	\$2,040.00
	T2 =	\$96.61 + 5.70% x (\$2,983.33 - \$2,040.00) =				\$150.38
T3 = T2 - W / P	T3 =	\$150.38	-	\$40.00	/ 12 =	\$147.05
T4 = T3 + A	T4 =	\$147.05	+	\$0.00	=	\$147.05
		Iowa tax to be withheld =				\$147.05
